

**BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

Application of Smart Communications Holding, Inc.	)	
For a Certificate of Public Convenience and	)	
Necessity to Provide Intrastate Resold	)	APPLICATION
Institutional Telecommunications Services	)	
Within the State of South Carolina	)	
_____	)	

Smart Communications Holding, Inc. (“Smart Communications” or “Applicant”) pursuant to S.C. Code Ann. §58-9-280, as amended, and Section 253 of the Telecommunications Act of 1996, respectfully submits this Application for Authority to resell intrastate specialized inmate telecommunications services within the State of South Carolina. In addition, Smart Communications requests waiver of certain regulatory requirements as discussed in Section 12 of this Application, and also requests confidential treatment of Exhibit C.

In support of this Application, Smart Communications states as follows:

**1. The name and address of the Applicant are:**

Smart Communications Holding, Inc.  
10491 72nd Street  
Seminole, FL 33777  
Telephone: (941) 799-1586  
Toll Free: (888) 843-1972  
Website: www.smartcommunications.us

**2. All correspondence, notices, inquiries and other communications regarding this application should be sent to:**

Frank R. Ellerbe, III  
Samuel J. Wellborn  
ROBINSON GRAY STEPP & LAFFITTE, LLC  
1310 Gadsden Street  
Columbia, South Carolina 29201  
Telephone: (803) 929-1400  
Facsimile: (803) 744-1556

Email: fellerbe@robinsongray.com  
 swellborn@robinsongray.com

with a copy to:

Sharon Warren, Consultant to Smart Communications Holding, Inc.  
 Inteserra Consulting Group, Inc.  
 151 Southhall Lane, Suite 450  
 Maitland, Florida 32751  
 Telephone: (407) 740-3005  
 Email: swarren@inteserra.com

**3. Contact person regarding ongoing operations of the Company is:**

Terry Whiteside  
 Smart Communications Holding, Inc.  
 10491 72nd Street  
 Seminole, FL 33777  
 Telephone: (941) 799-1586  
 E-mail: terry.whiteside@smartjailmail.com

**4. Description of Applicant**

Smart Communications was incorporated in the State of Florida on December 24, 2014. The Company's Articles of Incorporation together with its authorization to do business in South Carolina as filed with the Secretary of State of South Carolina are provided in **Exhibit A**.

**5. Proposed Services**

Smart Communications proposes to provide automated operator-assisted collect and prepaid calling services to inmates and other incarcerated persons in confinement institutions throughout the State of South Carolina. Smart Communications will provide correctional and confinement institutions with sophisticated equipment that permits inmates and other incarcerated persons to make outgoing calls without the assistance of a live operator. Smart Communications has licensed their Inmate Telephone System (ITS) software from another leading ICS provider. The software, known as Nexus ITS, is an inmate telephone platform that

utilizes IP-enabled technology to deliver state of the art services to its correctional facilities. The system is deployed in a carrier-grade data center in Philadelphia, PA. This location has redundant ingress/egress facilities as well as back-up power systems. This ensures maximum up time as well as providing access to the carrier facilities required. The calls placed from the correctional facility are backhauled to this system over a Virtual Private Network (VPN) using a broadband connection installed at the facility. Once the call processing is complete, the calls are then routed over a redundant, high-speed VPN to a VoIP carrier for call termination. The ITS system provides a number of controls and restrictions that serve to reduce or eliminate fraudulent use of telephone systems. These restrictions also provide the correctional institution with increased control over the use of the telecommunications services by inmates. Smart Communications' telephone instruments are placed in detention areas such as cell blocks or day rooms. Each instrument is connected to a central control unit which restricts and controls the calls placed by inmates. Smart Communications' system and services allow inmates and other incarcerated persons to remain in contact with family, friends and other associates while still providing facility administrators with the necessary control over inmate communications.

Automated collect or prepaid calls may be placed by inmates within the confinement facility. Smart Communications' system is designed so that calls are completed only to those called parties who specifically accept the charges for a call. Equipment utilized by Smart Communications requires a positive response from the called party before the connection is established and billing can begin.

In addition to call processing, Smart Communications' systems offer restrictive call blocking and screening. These features provide the correctional facility with the maximum degree of control over telecommunications services and help to minimize fraud. Call blocking

prevents calls to directory assistance, "0-", 800 numbers, pay-per-call services, and emergency numbers (including 911) in order to reduce prank calls and fraudulent use of long-distance services. Access to other interexchange carriers is also denied. Call screening serves to eliminate harassing or threatening calls to individuals such as judges, sheriffs, witnesses or jury members. These two features also allow the institution to enforce telephone curfews (without manual intervention) by pre-setting the hours during which the system will process calls from a given telephone instrument.

Smart Communications does not offer presubscribed services and therefore does not assign telephone numbers. Smart Communications' institutional calling services are for the use of inmates and other incarcerated persons in confinement institutions who place calls to family members, attorneys, bail bondsmen, or any other individuals the inmate is permitted to contact, subject to restrictions imposed by the correctional facility management personnel.

**6. Officers and Directors and Legal Counsel**

See **Exhibit B**.

**7. Customer Service**

Smart Communications provides strong customer support service. For billing inquiries on collect charges, customers are initially directed to Smart Communications' billing agent whose toll-free number is provided in each facility lobby, posted by inmate phones and is also available on the Company's website. The billing agent is authorized to investigate complaints and adjust customer bills within certain parameters set by Smart Communications. Should an inquiry exceed the authority delegated by Smart Communications, the customer is referred to the Company's Customer Care call center for further assistance. The Customer Care call center can

assist with all types of calls and related issues. Its hours of operation are 7AM to 12 Midnight Eastern Standard Time daily.

Customers placing calls after hours may leave a voice mail which will be returned the following day. When circumstances require, additional support is provided from the Company's headquarters location between 9am and 5pm weekdays. The contact for resolution of customer complaints with the Commission is:

Terry Whiteside  
Smart Communications Holding, Inc.  
10491 72nd Street  
Seminole, FL 33777  
Telephone: (941) 799-1586  
E-mail: Terry.whiteside@smartjailmail.com

#### **8. Financial Ability**

Smart Communications Holding, Inc. has sufficient financial resources to operate in South Carolina. Smart Communications submits as **Confidential Exhibit C** its most recent financial information. Smart Communications requests confidential treatment of this exhibit, pursuant to S.C. Code Ann. Reg. 103-804(S)(2), on the basis that it contains proprietary financial data that, if disclosed, could harm the company. Applicant does not plan to construct any facilities, nor will it incur additional debt to operate in South Carolina.

#### **9. Managerial and Technical Ability**

Smart Communications is well-qualified to provide the institutional telecommunications services requested in this Application as shown by the background and experience of its key employees attached as **Exhibit D**. Smart Communications was founded in 2009 and has been developing and delivering secure technologies to over 100 correctional facilities in more than 20 states. Smart Communications total communications platform includes phones, tablets, kiosks, visitation, and messaging, and was the first to bring kiosk-based electronic messaging to county

jail facilities. Smart Communications will be managed by persons with substantial telecommunications experience. In addition, as a reseller, Smart Communications relies on the technical expertise of its underlying carriers to ensure reliable and consistent service is being provided at all times.

#### **10. Proposed Service Territory and Tariffs**

Smart Communications is requesting state-wide authority to provide inmate telecommunications service offerings. **Exhibit E** contains the proposed tariff of Smart Communications. Smart Communications has requested a maximum per-minute rate of \$0.30 for its institutional call services. The actual rate may be lower than that maximum rate; however, should Smart Communications wish to increase the per-minute rate above \$0.30 per minute, it will request such increase with the Commission and notify the S.C. Office of Regulatory Staff.

#### **11. Public Interest and Need**

Approval of Smart Communications' application will serve the public interest by allowing competitive carriers to enter the institutional calling services market, offering newer and better technology in the provision of service and additional choices for institutional communications, thus reducing costs and improving security.

#### **12. Waivers and Regulatory Compliance**

Smart Communications Holding, Inc. requests that the Commission grant it a waiver of those regulatory requirements inapplicable to competitive local service providers. Such rules are not appropriate for competitive providers and constitute an economic barrier to entry into the local exchange market.

- A. Smart Communications requests that it be exempt from any financial recording rules or regulations that require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). As a competitive

provider, Smart Communications currently maintains its books and records in accordance with Generally Accepted Accounting Principles ("GAAP"). GAAP is used extensively by interexchange carriers. Since Smart Communications utilizes GAAP, the Commission will have a reliable method by which to evaluate Smart Communications' operations. Therefore, Smart Communications requests to be exempt from any and all USOA requirements of the Commission.

- B. In addition, Smart Communications requests a waiver of S.C. Reg. 103-610, and to be allowed to maintain its books and records at its headquarters location in Seminole, FL. In the event that the Commission finds it necessary to review Smart Communications' books, this information will be provided upon request to the Commission or Smart Communications will bear the expense of travel for the Commission staff to examine the books and records located outside of South Carolina.
- C. Smart Communications requests a waiver of 26 S.C. Regs. 103-612.2.3, the requirement to file operating maps with the Commission since Smart Communications intends to offer its services statewide. The waivers requested above have been granted under similar situations, and Applicant requests that the Commission provide it similar treatment.
- D. Smart Communications finally requests waivers of any reporting requirements that are not applicable to competitive providers such as Smart Communications because such requirements (a) are not consistent with the demands of the competitive market; or (b) they constitute an undue burden on a competitive provider, thereby requiring an ineffective allocation of resources.

Smart Communications reserves the right to seek any regulatory waivers which may be required for Smart Communications to compete effectively within the states' resale market.

Wherefore, Smart Communications Holding, Inc. respectfully petitions this Commission for authority to operate as a specialized inmate telecommunications service provider in the State of South Carolina in accordance with this Application; for flexible regulatory treatment of its local exchange services; for confidential treatment of Exhibit C; and for such other relief as it deems necessary and appropriate.

Dated this 22<sup>nd</sup> day of July, 2019.

s/Samuel J. Wellborn

Samuel J. Wellborn

Frank R. Ellerbe, III

ROBINSON GRAY STEPP & LAFFITTE, LLC

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Attorneys for Smart Communications Holding,  
Inc.



**Smart Communications Holding, Inc.**

**SCHEDULE OF EXHIBITS**

Exhibit A	Articles of Incorporation, Evidence of Authority to do Business in South Carolina
Exhibit B	Officers, Directors and Legal Counsel
Exhibit C	Financial Statements (Confidential)
Exhibit D	Resumes of Key Employees
Exhibit E	Proposed Tariff